Elbit Systems' subsidiary, Elop, to provide naval and aerial payloads valued at approximately $15 million

Haifa, Israel, July 10, 2006 –Elbit Systems Ltd. (NASDAQ: ESLT) announced that its subsidiary Elbit Systems Electro-Optics Elop Ltd. ("Elop"), was awarded several new contracts to supply advanced CoMPASS payloads for naval and aerial use, valued at approximately $15 million.

The new contracts include the supply of payloads for naval use for a customer in the Far East and for a NATO member customer, as well as an order for UAV and combat aircraft payloads in Eastern Europe.

As previously reported, Elop was selected to supply the advanced surveillance systems for the prestigious UK MoD WATCHKEEPER UAV project. In this project, Elop will provide the most advanced version of its innovative family of surveillance systems, CoMPASS.

Elop's General Manager, Mr. Haim Rousso said: "Recently we noted a substantial increase in demand for payloads designed for naval applications. Elop's unique payload solutions combined with its ability to meet the specific requirements of each customer, further establishes our leading position in the field of electro-optic systems in general and in the payload market in specific. Mr. Rousso further said: "The recent orders reaffirm our customers' trust in our combat experience and the technological quality of our systems, and we look forward to further business success in this market."

About Elbit Systems Electro-Optics Elop Ltd.

Elbit Systems Electro-Optics Elop Ltd., a subsidiary of Elbit Systems, develops, manufactures, assembles and tests electro-optic systems and products for a wide range of applications. In addition to lasers, Elop's main business areas include: remote sensing – space systems, airborne reconnaissance, observation and surveillance systems; armored fighting vehicles upgrades and systems; thermal imaging; displays; and electro-optics counter-measures. Thousands of advanced laser designators and rangefinders for airborne, ground and naval applications have been supplied since Elop initiated its laser activities in the early 70s. The company's laser rangefinders are incorporated in tank fire control

systems and anti/aircraft systems. Its laser designators for rotary and fixed wind aircraft are installed on board a variety of airborne platforms, such as: Apache, Kiowa Warrior and Cobra Helicopters, in addition to payloads for fixed wind aircraft: F/A-18 NITE Hawk Pod and Litening Pod.

About Elbit Systems

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of defense-related programs throughout the world. The Elbit Systems Group, which includes the company and its subsidiaries, operates in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence, surveillance and reconnaissance ("C4ISR"), advanced electro-optic and space technologies, EW suites, airborne warning systems, ELINT systems, data links and military communications systems and equipment. The Group also focuses on the upgrading of existing military platforms and developing new technologies for defense and homeland security applications.

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